GENERAL LEAVE

Mr. NEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of House Resolution 110.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

APPOINTMENT AS MEMBER TO TICKET TO WORK AND WORK INCENTIVES ADVISORY PANEL

The SPEAKER pro tempore. Pursuant to section 101(f)(3) of the Ticket to Work and Work Incentives Improvement Act of 1999 (42 U.S.C. 1320b-19), and the order of the House of January 8, 2003, the Chair announces the Speaker's appointment of the following member on the part of the House to the Ticket to Work and Work Incentives Advisory Panel:

Mrs. Berthy De la Rosa-Aponte, Cooper City, Florida, to a four-year term.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. CULBERSON). Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TAX CUTS FOR THE WEALTHY NOT HEALTHY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, 2 years ago, as the recession began and the government was projecting a $5.6 trillion surplus, the President muscled through a big $1.2 trillion tax cut based on those rosy projections that we would have surpluses as far as the eye could see. He said we could have it all. We could fully fund the Social Security Trust Fund and the lockbox and the Medicare Trust Fund and the lockbox, we could increase spending for education, the military, and we could cut taxes. A number of us at the time said, well, we really should not spend the money before we have it in the bank, and we said, let us do it year by year. We lost and we went forward.

Now, they also said at the time, and this is a quote from the gentleman from California (Mr. THOMAS), the chairman of the House Committee on Ways and Means, that their $1.2 trillion tax proposal was the solution for the then beginnings of the malaise of the United States economy.

□ 1815

The quote, ''By moving quickly our hope is to have both monetary and fiscal policy pull this economy out of its nose dive.''

Since the gentleman from California (Mr. THOMAS) made that statement on the day the bill was passed, March 8, 2001, the United States of America has lost a million jobs and the economy is still in decline.

Now the entire surplus has vanished. We are now confronted with deficits as far as the eye can see. And what do they propose? They propose now to borrow money to give tax cuts. That is right. We are going to borrow money to give tax cuts. Never before in the history of our Nation will we have borrowed so much, a trillion dollars, to give to so few. A few thousand individuals will benefit principally from this massive tax giveaway.

Every penny of the Social Security surplus only paid by wage-earning Americans will be borrowed and in great part transferred to those who earn over a million dollars a year, $105,000 each average tax cut for people who earn over a million dollars a year. It is an awful lot of Social Security taxes. That is an awful lot of hours worked by Americans and their families to finance those tax cuts for the wealthiest of the wealthy. The top 5 percent, $200,000 and up, will get 64 percent of the benefits. And as I said, families $1 million and up will average $105,600. And it principally goes to people who do not work for wages.

Somehow this administration honors those who either inherited or otherwise, perhaps they were part of the Enron scam or something else have accumulated a bunch of money, or otherwise honorably earned a bunch of money, but they can invest for a living. They do not work for wages. They do not have to go in 40 hours a week, 60 hours a week. They do not have to hold two jobs. They do not have to work for wages. They should pay a tax rate lower, according to this administration, than working American families.

Now, in the short term they say this trickle down from these wealthy people will put those working wage-earning folks back to work, and understand their theory since wage earners will pay higher taxers than investors, that will ultimately undo the deficits. We will get the money from the wage earners because the investors will not be paying the taxes anymore. But even to get there, they had to put in a Brooklyn Bridge provision which is that many of the provisions of this legislation will expire in a few years. Otherwise, the cost tag would go over a trillion dollars; and since we are borrowing all this money to give back, that would be a problem with a lot of folks. So the Brooklyn Bridge provision says that most of these tax cuts, except the ones that go to the wealthy, will expire in 2005. So the child care credit increase up to a thousand dollars, well, that drops back down to $700 in 2005. The increasing of the 10 percent bracket for the lowest income earners, those around $12,000–$14,000 a year, well, that expires in 2005. Married couples, helping to do away with the marriage penalty, that expires in 2005. The AMT, a lot of people do not know what that is, but a lot of middle-income families and upper-middle-income families will be falling into this trap, it needs to be fixed, that expires in 2005.

But guess what? The capital gains and dividend provisions, those that give the $105,000 a year to the families that earn over a million dollars, that never expires under the proposal the House will vote on tomorrow. And the top bracket rate reductions, those will not ever expire either. Wage-earning suckers will pay the bill while people who can afford to invest for a living will reap the benefits.

But this is trickle-down economics revisited; and as we know, it worked really well in the 1980s. In fact, DICK CHENEY was one of the principal architects back then to the deficit-producing, job-killing, trickle-down economics of the 1980s; and now we will revisit it in the 21st century. Shame on this House of Representatives for bringing up this bill in this manner with this constrained debate with no alternative that would produce jobs and wealth in this country allowed to be offered.

MACROECONOMIC ANALYSIS OF H.R. 2, THE ''JOBS AND GROWTH RECONCILIATION TAX ACT OF 2003'' PREPARED BY THE STAFF OF THE JOINT COMMITTEE ON TAXATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. THOMAS) is recognized for 5 minutes.

Mr. THOMAS. Mr. Speaker, pursuant to clause 3 (h)(2)(A)(iii) of rule XIII, I submitted the following macroeconomic impact analysis:

In accordance with House Rule XIII.3(h)(2), this document, prepared by the staff of the Joint Committee on Taxation (''Joint Committee staff''), provides a macroeconomic analysis of H.R. 2, the ''Jobs and Growth Reconciliation Tax Act of 2003.'' The analysis presents the results of simulating the changes contained in H.R. 2 under three economic models of the economy. The models employ a variety of assumptions regarding Federal fiscal policy, monetary policy, and behavioral responses to the proposed changes in law.

1. DESCRIPTION OF MODELS AND RESULTS FORMAT

(A) MODELS

The Macroeconomic Equilibrium Growth (''MEG'') model.—This model, developed by the Joint Committee staff, is based on the standard, neoclassical assumption that the amount of output is determined by the availability of labor and capital, and in the long run, prices adjust so that demand equals supply. This feature of MEG is comparable to a Solow growth model, described as the ''textbook growth model'' by the Congressional Budget Office (An Analysis of the President's Budgetary Proposals for Fiscal Year 2004, March 2003, pp. 28–29) (''CBO''). Individuals are assumed to make decisions based on observed characteristics of the economy, including current period wages, prices, interest rates, tax rates, and government spending levels. Because individuals do not anticipate changes in the economy or government finances, this type of behavior is referred to as